

# Types of Competitive Sourcing Reviews

OMB Circular A-76 allows several types of reviews to make competitive sourcing decisions. The following are the three primary categories:

- Generic Cost Comparisons – These are the “Full” competitions that include
  - Defining the NIH requirement, quality and timeliness standards, workload, and other conditions of performance
  - Development of the NIH “Technical and Cost Proposal”
  - Solicitation of Contractor’s technical and cost proposals
  - Evaluation of the Contractor’s proposals
  - Cost comparison between NIH and the selected contractor
    - Implementation of the NIH “proposal,” or
    - Implementation of the Contract

The advantage is the detailed evaluations and consideration of minor and primary cost factors. The disadvantage is the time taken (up to 2 years) and the corresponding disruption to the organization being reviewed.

- Streamlined/Expedited Cost Comparisons – These are allowed for activities with 65 or fewer Full Time Equivalents (FTE), and includes
  - Defining the NIH requirement, quality and timeliness standards, workload, and other conditions of performance
  - Development of current NIH costs
  - Development of the estimated range of contract costs
  - Cost comparison between NIH and the estimated range of contract costs
    - Continued NIH personnel performance, or
    - Solicitation and award of a contract

The advantage is the quicker time frame (2-5 months) and the focus on the primary cost factors. The disadvantage is the lost opportunity to reorganize to become more efficient and effective.

- Direct Conversions – These are allowed under the following circumstances
  - Activities with 10 or less FTE
  - Activities with 11 or more FTE, when all affected personnel are “placed”
  - Conversions to preferential procurement sources (JWOD, Prison Industries, Native American/Alaskan Owned Corporations)

Direct Conversions are preferred to reallocate resources, complete the privatization of an activity already heavily contracted, and when the government just is not quality and cost competitive. The disadvantage in other Departments is when employees lose jobs without competition. In HHS/NIH, there is the commitment that all employees will have a job.